

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

HB 795 – SB 1405

April 15, 2009

SUMMARY OF AMENDMENT (006427): Deletes all language of the enacting clause of the original bill. Makes multiple changes to the current charter school provisions. Authorizes the Commissioner of Education to select conversion of a failing school to a charter school that is in the fifth year of restructuring per the federal No Child Left Behind provisions. Authorizes local education agencies (LEAs) to sponsor a charter school. Authorizes the Commissioner to direct an LEA to submit a charter school application if no other qualified organizations apply. The Department of Education, with the advice of the State Board of Education, shall be the approval authority for all applications. Authorizes the Commissioner of Education to adopt dates and timelines for the submission of such applications. Removes the cap on the number of charter schools. Changes from five to eight, the number of years that a charter school's charter shall be initially approved and for renewals. Requires LEAs to offer the same inservice and other professional development opportunities to charter school employees that are offered to regular public school employees. Requires charter schools to be able to draw from a pool of students in the zone for which it was initially created, regardless of public schools within that zone being closed by the LEA. Requires charter schools to submit best practice reports to the LEA within 30 days of the end the school year. Requires LEAs to give all applicable federal funds to public charter schools.

FISCAL IMPACT OF ORIGINAL BILL:

MINIMAL

HB 795 – SB 1405

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

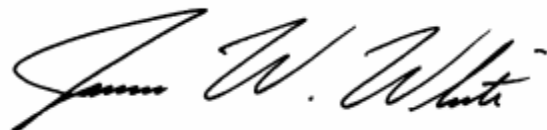
Other Fiscal Impact – BEP money will shift from LEAs to the public charter school. Such a shift in funds will be dependent on the number of converted charter schools, the number of students choosing to enroll, the number of open slots, and the capacity of the charter school.

Assumptions applied to amendment:

- According to the Department of Education, language of the amendment is in compliance with the NCLB guidelines and the approved state Accountability Workbook.
- According to the SBOE, this amendment will not have a significant fiscal impact to the Board.
- Removing the cap on the number of charter schools that may be opened will not cause more charter schools to open or change application requirements until the current cap of 50 schools is reached.
- The basic charter school application process will not change. A new authorization body would be eligible to review applications.
- LEAs will not experience a significant increase in expenditures if they become governing bodies. BEP money will follow students in a converted school if they stay in the school or shift out to a different non-charter public school.
- Raising the number of years that a charter school is initially approved and upon renewal will have no impact on state or local expenditures.
- BEP formula will not be impacted.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

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